

SOUTH EAST OFFICE INVESTMENT AND LEASING MARKETS Q4/2023

INVESTMENT

£402m transacted
29 transactions in Q4



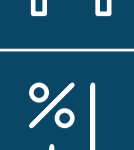
1.82m sq ft traded
84% increase from Q3



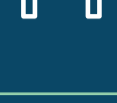
£1.56bn transacted in 2023
£2.77bn in 2022 & £4.05bn in 2021



£13.86m average transaction size



62% to owner occupiers & alternate use



Prime yields at 6.8% NIY



"Q4 saw a notable improvement in transaction volumes, compared to Q2 & Q3, but this was exacerbated to a certain extent by significant sales to owner occupiers and residential developers who are capitalising on perceived value in the sector."

Rob Cregeen, Bray Fox Smith

INVESTMENT SUMMARY OF 2023

Quarter	Q1/2023	Q2/2023	Q3/2023	Q4/2023	2023	4 Year Average
Volume	£641m	£295m	£218m	£402m	£1,556m	£2,918m
# of Transactions	23	25	20	29	97	120
Sq Ft Traded	1.76m	1.33m	1.18m	1.82m	6.09m	9.04m

HEADLINE TRANSACTIONS Q4 2023



54 Clarendon Road, Watford

Vendor: Canada Life
Purchaser: Poetic Gem
£8.4m / £281 cv psf



1 Ruskin Square, Croydon

Vendor: Schrodgers Capital
Purchaser: HMRC
£115m / 6.0% / £628 cv psf



Santander House, Redhill

Vendor: Blackrock
Purchaser: Citibank Private
£15.7m / 8.75% / £323 cv psf



Former British Gas Site, Thames Valley Park, Reading

Vendor: Private Middle Eastern Investor
Purchaser: Lonza Pharma.
£35m / £190 cv psf



Chiswick Tower, Chiswick

Vendor: Hermes Pension Fund
Purchaser: Emmanuel Property
£28m / £197 cv psf



63 Kew Road, Richmond

Vendor: Columbia Threadneedle
Purchaser: Urbana
£8.0m / £188 cv psf

UNDER OFFER Q4 2023



Building 8, Chiswick Park

Vendor: Abrdn
Q. £85.0m / 5.0% / £675 cv psf



63-77 Victoria Street, St Albans

Vendor: CCLA
Confidential Pricing



North Bailey House, Oxford

Vendor: Lothbury PUT
Q. £26.2m / 5.5% / £1,157 cv psf



Virgin Atlantic HQ, Crawley

Vendor: Columbia Threadneedle
Q. £29.9m / 7.95% / £272 cv psf



Assembly, Hammersmith

Vendor: AXA Real Estate
Q. £120m / 7.55% / £532 cv psf



41-47 Hartfield Road, Wimbledon

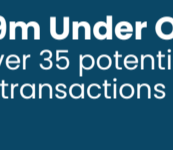
Vendor: Private Client
Q. £9.61m / 10.0% / £383 cv psf

WHAT'S IN STORE FOR INVESTMENT Q1 2024?



89 Office Investments on the market

£1.18bn based on asking price



£799m Under Offer

Over 35 potential transactions



Anticipated Growing Demand

From Investors recognising value in the sector

LEASING

Total take-up 3.256m sq ft in 2023

3% increase on 2022



New Record Rent for the Thames Valley

£51 per sq ft - Tempo, Maidenhead



65% of take-up was Grade A for 2023



Increase in larger corporate relocations in comparison to 2022



Limited Development Pipeline



Occupier Focus on ESG Credentials



'After a subdued start to 2023, H2 finished strongly with a flurry of larger transactions. This corporate activity should provide a much needed confidence boost to the market and, with viewing levels up, we anticipate a very busy 2024.'

There's a limited development pipeline in the short to medium term, therefore we expect prime rents will continue to rise."

Toby Lumsden, Bray Fox Smith

ANNUAL TAKE-UP ABOVE 2,500 SQ FT FOR 2023

Size (sq ft)	5,000 to 9,999	10,000 to 19,999	20,000 to 29,999	30,000 to 49,999	50,000>	Total
Total	818,848	779,261	487,585	605,401	565,204	3.256M
Count	121	57	20	17	6	221

SOUTH EAST OFFICE TAKE-UP BY REGION Q4 2023

362,551 sq ft

Northern Sector

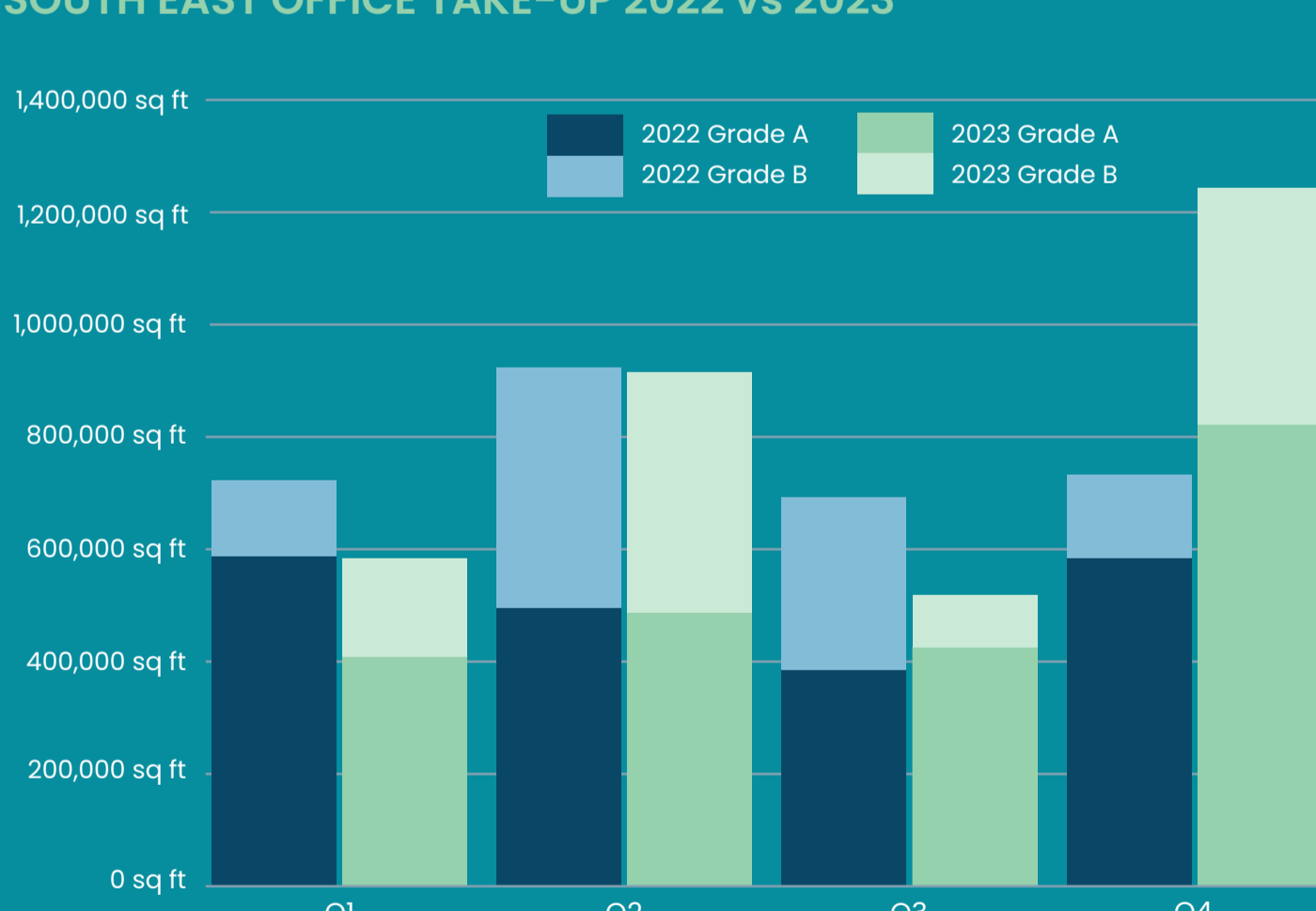
451,629 sq ft

Western & West London Sector

430,661 sq ft

Southern & South-West London

SOUTH EAST OFFICE TAKE-UP 2022 vs 2023

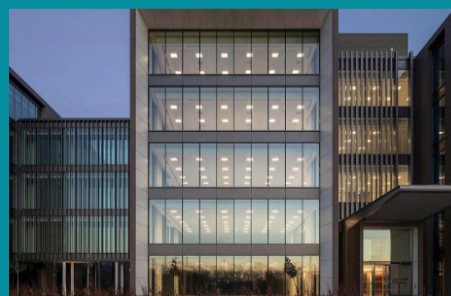


LEASING HEADLINE TRANSACTIONS Q4 2023



Black & Decker letting at Tempo, Maidenhead

Owner: L&G
Size: 30,000 sq ft



Wood Group letting at 400 Longwater Avenue, Reading

Owner: Mapletree
Size: 120,000 sq ft



Air Products letting at 1000 Hillswood, Chertsey

Owner: L&G
Size: 75,000 sq ft



Allianz letting at Guildford Business Park

Owner: PineBridge/Cube RE
Size: 35,000 sq ft



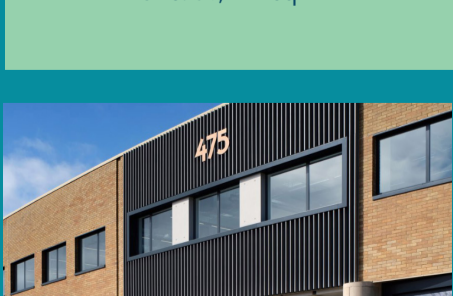
De Lage Landen letting at Building 1, Croxley Park, Watford

Owner: Watford Borough Council
Size: 20,329 sq ft



Nomad Foods letting at Forge, Woking

Owner: V7
Size: 27,800 sq ft



Bionipity letting at 475 Caponicity Green, Luton

Owner: Praxis
Size: 24,000 sq ft



Fluor letting at Farnborough Business Park

Owner: Frasers Property
Size: 35,700 sq ft



CloserStill Media letting at Assembly, Hammersmith

Owner: AXA
Size: 23,500 sq ft

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